PLAINTIFF'S EXHIBIT 78

From: William Kelly <wjkelly@mindspring.com>
Sent Time: Thursday, 02 January 2014 16:05:58
To: George Gulisano <ggulisano@jaypeakresort.com>
Cc: a.quiros@att.net
Subject: RE: Financial Projections and Key Matters through June 2014

Ariel and George,
This is the letter that I saw a short time ago and I would like to address issues that were explained in the letter. Ariel, I didn't know this was the material being referred to. I did have it from George. George, let's talk about the following.

George:

1. In the JPI Operational needs column on your attachment, you show the period August 2013 through June 2014 with a net number of $5,140,635 to the good. This is a great thing. I read this to say that JPI can contribute $5,140,635 towards Ariel's needs between now and June 2014.

   I presume that you used the net profits of JPI that were booked last April 30th to pay for May and June expenses of JPI last year. Can we get a simplified list of the other things that last year's profits were used for?

   Are we sure that we will need $1,500,000 for investor returns between now and June? Are these already required? Are there any replacement investors to fund these paybacks?

2. Under your paragraph #2a you say that there will be a need for $5,889,918 of funds to cover the 2013 EB-5 construction. This is the amount that Bill extended out until June 2014. Your comment that "Income from Jay Peak is being used to help pay for these obligations. The above amounts are net of this income".
   I presume that this means this $5,889,918 of need will cancel out the JPI $5,140,635 net income on the books of JPI as of June 2014.

   Under your paragraph #2b you say that there will be a need for $23,263,609 to complete the remainder of the LTH and Stateside EB-5 construction.
   I understand that this will not be done until 2015 and will be funded out of Newport profits as this is still a result of the Phase II cost overruns .

3. Under your paragraph #3 you speak to the $2,201,483 expense for the Spates Block. Albeit this is an expense that must be cash flowed somewhere in the organization now, this is a loan that will be paid back to whomever funds it as soon as there are Newport EB-5 Funds to pay it back. These are clearly Newport LP funds that will be paying for this.

4. Under your paragraph #4 you speak to Ariel's (and GSI's) personal income taxes. There should have been enough money in the profits made on the GSI land sale to pay for the taxes due on those same profits. If not, there was a serious miscalculation on the sale price of the land. I clearly understand that Ariel may have had to use those funds to pay for some other critical expenses due at the time. Can you list what those profits were used for and let's see if they were used as a loan to cover someone else's expenses, ie: one of the Jay Peak EB-5 project costs (and therefore they are to be repaid to Ariel) or were they used to pay some of Ariel's (or GSI's) own expenses.

5. Under your paragraph #5 you speak to the JCM profits and taxes due on those profits. Do you already know that the numbers you report will be due on these dates? Have these tax numbers been calculated after considering all of JCM deductions and expenses and therefore are net due numbers? Can we fix this by making JCM and QResorts one company and using all of the QResorts losses to offset the JCM profits? I understood that JCM was always willing to use its' profits to help QResorts fund its cost overruns.

If the above comments are accurate, then:

The JPI profits between now and June ($5,140,635) will about pay for the remaining 2013 LTH and Stateside EB-5 ($5,889,609) due by June 2014;

Since I understood that the Jay Peak Phase II cost overruns that are finally being dealt with will result in the last $23mm of Stateside costs being paid for out of Newport profits in 2015, and the Spates Block costs are clearly to be paid out of Newport LP funds, **the cash issue that must be dealt with by Ariel now is where is the $1,250,000 loan for the pay off of the Spates Block going to come from in April 2014.**

Do we have replacement investors for the $1,500,000 who you report must be returned their investment?

GSI should have had enough in its' profits from the sale of land at Bogner to pay the taxes due on the sale. If the profits were used somewhere else, for what, and do they owe the money back to Ariel/GSI?

Let's get a clean picture on the taxable amounts due from JCM. If these are significant, let's look at putting QResorts and JCM under one entity that can offset the profits of one with the losses of the other.

Otherwise the yellow highlights in this section represent needs of about $700K cash and a loan of $1,250,000 that must be found to get thru June of 2014.

Bill

From: George Gulisano [mailto:ggulisano@jaypeakresort.com]
Sent: Tuesday, December 31, 2013 1:14 PM
To: William J. Kelly
Cc: a.quiros@att.net
Subject: Financial Projections and Key Matters through June 2014

Dear Bill,

Please find attached my material financial issues through June 2014.

Please keep this information confidential as its for your eyes only. Also note that these amounts do not include the funding for Burke Mountain and Jay Peak's summer losses which usually are $1 million and 5 million dollars, respectively.

I am happy to discuss the attached at your convenience.

Happy New Year for you, Kelly and your entire family. It has been my privilege to work alongside of you and Mr. Quiros now for almost 4 years! I look forward to the future together.